GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:6806
ANSWERED ON:10.05.2002
SUNAIR HOTELS LIMITED
AVTAR SINGH BHADANA;CHARAN DAS MAHANT

Will the Minister of FINANCE be pleased to state:

(a) whether IFCI, IDBI and Oriental Bank of Commerce have extended huge loans to a company, Sunair Hotels Limited, Delhi;

(b) if so, the extent thereof;

(c) whether the above company has defaulted in its repayment of principal and interest for IFCI;

(d) whether inspite of the IFCI has already granted additional loans to Sunairbesides reducing the interest rate and has converted the interest due on its loans into fresh loans, instead of recalling the loan with penal interest;

(e) if so, the reasons therefor and action taken against officials responsible for such imprudent investment of public funds;

(f) whether IFCI has ensured adherence and compliance by Sunair to its loanconditionality of depositing the rentals from the Commercial Complex of the project in an escrow account; and

(g) if not, the action taken by IFCI against it?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) IDBI and Oriental Bank of Commerce have provided loans to SunairHotels Ltd. Though IFCI had sanctioned assistance, the same was not disbursed and subsequently cancelled.

(b) In accordance with the practices and usages customary amongst the banks and in conformity with provisions of statutes governing the financial institutions as also the provisions of the Public Financial Institutions (obligations as to Fidelity and Secrecy) Act, 1983, the information in respect of the constituents of the Banks and Public Financial Institutions, cannot be divulged.

(c) to (g): Do not arise.